
SENATE JOINT MEMORIAL 8001

State of Washington 60th Legislature 2007 Regular Session

By Senators Jacobsen and Rasmussen

Read first time 01/12/2007. Referred to Committee on Natural Resources, Ocean & Recreation.

1 TO THE HONORABLE GEORGE W. BUSH, PRESIDENT OF THE UNITED STATES,
2 AND TO THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF
3 REPRESENTATIVES, AND TO THE SENATE AND HOUSE OF REPRESENTATIVES OF THE
4 UNITED STATES, IN CONGRESS ASSEMBLED:

5 We, your Memorialists, the Senate and House of Representatives of
6 the State of Washington, in legislative session assembled, respectfully
7 represent and petition as follows:

8 WHEREAS, More than half of the state's forty-two million and one-
9 half acres are forest lands and the majority of these lands are
10 available for harvest; and

11 WHEREAS, The forestry and wood products manufacturing sectors are
12 an extremely valuable component of the Washington state economy, with
13 the industry generating approximately nineteen billion dollars in gross
14 revenues, two billion dollars in wages, and one hundred million dollars
15 in tax receipts in 2005; and

16 WHEREAS, Maintaining Washington state's working forest land base
17 provides an array of environmental and social benefits to Washington
18 state, including clean water, wildlife habitat, recreational
19 opportunities, forest products, and the aesthetic value of forests; and

1 WHEREAS, Federal tax rates place timber landowners within the
2 United States, including Washington state's forest landowners, at a
3 disadvantage against many of its international competitors. By
4 practicing sustainable forestry, timber owners that are structured as
5 corporations are faced with a cost-disadvantage due to the inequity in
6 tax rates, not only at the international level, but also nationally.
7 Currently, as a result of the federal tax laws, there is a trend of
8 decreasing the United States' competitiveness in the forest products
9 industry, resulting in a loss of manufacturing jobs in Washington
10 state, as well as the nation. This trend needs to be reversed by
11 creating a more equitable tax system; and

12 WHEREAS, The inequity in federal tax laws has a negative impact on
13 Washington state's forest sustainability, discouraging long-term
14 investment in the health of our forests and creating a loss of jobs in
15 our forest products manufacturing sector. The federal tax laws tax
16 income from timber harvests differently based on an entity's ownership
17 structure, with corporate income from harvests taxed at the corporate
18 tax rate of up to thirty-five percent, while income from harvests by
19 individuals and such entities as partnerships and real estate
20 investment trusts receive more favorable treatment as capital gains,
21 which are taxed at a maximum rate of fifteen percent;

22 NOW, THEREFORE, Your Memorialists respectfully pray that the United
23 States senate and house of representatives amend federal tax law to
24 help sustain working forest lands in Washington state by strengthening
25 the forest products manufacturing sectors' ability to compete
26 internationally and by more uniformly taxing timber harvests for all
27 private forest ownership structures.

28 BE IT RESOLVED, That copies of this Memorial be immediately
29 transmitted to the Honorable George W. Bush, President of the United
30 States, the President of the United States Senate, the Speaker of the
31 House of Representatives, and each member of Congress from the State of
32 Washington.

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